

**The Cerebral Palsy Research Foundation of Kansas  
Testimony in Support of House Bill 2426**

**April 4, 2017**

**To: Kansas House Committee on Taxation**

**From: Patrick Jonas, President and CEO CPRFK**

**Ref: Testimony in Support of House Bill 2416**

Chairman Johnson and Distinguished Members of the Committee, I want to thank you for allowing me to provide testimony in Support of House Bill 2416, on behalf of The Cerebral Palsy Research Foundation of Kansas (CPRFK) and its affiliates, Center Industries Corporation, and Business Technology Career Opportunities. We have spent over 40 years, training, placing, and competitively employing Kansans with disabilities and we do it well. Recent changes brought about by CMS rulings and Federal WIOA legislation are forcing disability providers to reassess long-established models for employing people with disabilities. The time has come to look at alternative options.

There are often challenges for someone with a significant disability when contemplating the move off of their subsidies to seek competitive employment. Benefits counseling, to justify the move is generally the first step, which will assist in determining the hourly wage needed to make the decision worthwhile. This is generally followed by education or training to develop the skillsets to obtain the target wage and finally after an extensive search, finding an employer who is willing to hire someone, that may need special accommodations to fulfill their duties.

There is a great deal of time and effort involved by all parties in completing these initial steps, but they are vital to obtain a successful outcome. The process can take months or even years, depending upon the training required.

Imagine then that you have gone through this undertaking, were settled in your new job, finally got your transportation figured out, and after a year or so were told, "Sorry, we don't have any more work for you to do and we will have to let you go." Unable to find another employer, you reapply for your benefits and vow never to trust the system again.

This is not a hypothetical situation. This happened to our imaging company, BTCO, 2 years ago. It was not an issue of accommodation, productivity, or performance: we just flat ran out of work. We had a large, successful Air Force project that was cut when the sequester hit. We ended up laying off 15 people, half of which were folks with disabilities. The majority of those moved back to their benefits. That was probably the worst day of my 18 years in this business and we have been looking for a preventive solution ever since.

We feel that HB 2416 goes a long way in addressing this type of problem. A tax credit incentive to private sector companies that outsource to non-profits who competitively employ people with disabilities would be a great step in assuring work for our employees. We also believe that this could also become a budget neutral proposal over time. Let me explain:

Average Disability Waiver  
**\$50,000**



State Matching Obligation  
**\$20,000**



For every person with a disability who is competitively employed, there is approximately **\$20,000** in savings to the state.

Source: KDHE



*Approximately **\$60,000** in sales allows us to hire someone at \$11/hr.*



If we hire someone with a disability, that **\$60,000** saves the state **\$20,000**.



*Example:*

**\$60,000 x 10 = \$600,000** in sales



With these sales, we could hire **10 people**,  
**5** of whom would have a disability.



*This results in a savings of **\$100,000 (or 16.6%)** to the state.*



If we round that percentage down to **15%**,  
this could be a **tax credit of \$90,000**  
to the company who outsourced the work.

